

# Spring FG Limited (ASX: SFL)

Appendix 4E

Preliminary Final Report FY2015

## 1. Company Details

Name of entity: **Spring FG Limited**  
ABN: 87 169 037 058  
Reporting period: **For the year ended 30 June 2015**  
Previous period: For the year ended 30 June 2014

## 2. Results of announcement to the market

				\$'000
Revenue from ordinary activities	up	87%	to	14,855
Profit after tax from ordinary activities attributable to the owners of Spring FG Limited	up	113%	to	4,811

### Dividends

The Directors anticipate declaring a fully-franked dividend of 2.64 cents.

As set out in Section 14, below the financial report is in the process of being audited.

The Company expects to lodge its audited financial statements on or about 23 September 2015 at which time it also intends to lodge an Appendix 3A.1 with respect to the final FY2015 dividend. Record and payment date details will be provided at that time.

### Commentary

The accompanying market release provides a commentary on the results. This report should be read in conjunction with any public announcements made in the period by Spring FG Limited in accordance with ASX Listing Rules.



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Appendix 4E

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### 3. Consolidated Statement of Profit & Loss and Other Comprehensive Income

Year ended 30 June	2015 \$'000	2014 \$'000
<b>Revenue &amp; other income</b>	<b>14,855</b>	<b>8,107</b>
Direct costs to generate revenue	(974)	(1,189)
Employment expenses	(3,468)	(1,860)
Advertising and marketing expenses	(414)	(328)
Professional fees	(329)	(277)
Rental expenses	(1,062)	(729)
Other operating expenses	(1,049)	(505)
<b>Total expenses</b> (excluding one-off and non-recurring)	<b>(7,296)</b>	<b>(4,888)</b>
<b>EBITDA</b> (excluding one-off and non-recurring)	<b>7,559</b>	<b>3,219</b>
Depreciation & amortisation	(201)	(41)
Interest expense (including acquisition interest)	(94)	(122)
IPO/ASX listing and acquisition restructuring expenses	(801)	(8)
<b>Profit before income tax</b>	<b>6,463</b>	<b>3,048</b>
Income tax expense	(1,652)	(786)
<b>Profit after income tax expense for the year</b>	<b>4,811</b>	<b>2,262</b>

**Non-recurring items included in income and expenses**

	2015	2014
Year ended 30 June 2015	\$'000	\$'000
Other income from terminated contracts & arrangements	77	582
<b>Total non-recurring income</b>	<b>77</b>	<b>582</b>
IPO and ASX listing:		
- Accountancy fees	(85)	-
- Legal fees	(199)	-
- Consultancy fees	(85)	-
<b>Total IPO and ASX listing items expensed</b>	<b>(369)</b>	-
Acquisition and restructure of Pink Diamond Financial Group:		
- Redundancies and termination costs	(170)	-
- Staff not-continuing	(61)	-
- Premises not required (from date of acquisition to end of lease)	(136)	-
- Other non-recurring items expensed	(65)	-
<b>Total acquisition costs expensed</b>	<b>(432)</b>	-
<b>Total non-recurring items expensed</b>	<b>(801)</b>	-

#### 4. Consolidation Statement of Financial Position

As at 30 June	2015 \$'000	2014 \$'000
<b>CURRENT ASSETS</b>		
Cash & cash equivalents	1,626	759
Trade & other receivables	6,411	3,413
Other assets	500	274
<b>TOTAL CURRENT ASSETS</b>	<b>8,537</b>	<b>4,446</b>
<b>NON-CURRENT ASSETS</b>		
Trade & other receivables	5,909	1,405
Plant & equipment	535	529
Deferred tax assets	615	51
Goodwill & intangible assets	7,292	3,899
Other assets	0	2
<b>TOTAL NON-CURRENT ASSETS</b>	<b>14,351</b>	<b>5,885</b>
<b>TOTAL ASSETS</b>	<b>22,888</b>	<b>10,331</b>
<b>CURRENT LIABILITIES</b>		
Trade & other payables	1,555	1,500
Current tax liabilities	2,217	873
Employee benefits	167	113
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,939</b>	<b>2,486</b>
<b>NET ASSETS</b>	<b>18,949</b>	<b>7,845</b>
<b>EQUITY</b>		
Issued capital	13,660	6,132
Retained earnings	5,289	1,713
<b>TOTAL EQUITY</b>	<b>18,949</b>	<b>7,845</b>

## 5. Consolidated Statement of Cash Flows

Year ended 30 June	2015 \$'000	2014 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	9,307	5,219
Payment to supplies and employees	(8,524)	(4,755)
Interest paid/received (net)	6	(121)
<b>Sub-total (Net cashflow from continuing operations)</b>	<b>789</b>	<b>344</b>
One-off and non-recurring IPO/ASX expenses	(369)	-
Non-recurring expenses in restructuring acquisitions	(432)	-
One-off interest expense related to acquisition	(79)	-
Income taxes paid	(873)	(209)
<b>Net cash provided by operating activities</b>	<b>(964)</b>	<b>134</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for acquisitions	(3,496)	(2,653)
Payments for property, plant & equipment	(102)	(43)
Payments received – related party loans	11	-
<b>Net cash used by investing activities</b>	<b>(3,587)</b>	<b>(2,545)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	7,930	4,618
Limited recourse loans (for share purchases)	(875)	-
Repayment of borrowings	-	(565)
Capital raising costs	(402)	(345)
Dividends paid	(1,235)	(672)
<b>Net cash used by financing activities</b>	<b>5,418</b>	<b>3,036</b>
Net increase in cash and cash equivalents held	867	624
Cash and cash equivalents at the beginning of the year	759	135
<b>Cash and cash equivalents at the end of the year</b>	<b>1,626</b>	<b>759</b>

## 6. Consolidated Statement of Retained Earning and Changes in Equity

	Ordinary Shares \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2014	6,132	1,713	7,845
Profit attributed to members of parent entity	-	4,811	4,811
Dividends paid	-	(1,235)	(1,235)
Shares issued during the year	7,930	-	7,930
Transaction costs	(402)	-	(402)
<b>Balance at 30 June 2015</b>	<b>13,660</b>	<b>5,289</b>	<b>18,949</b>

## 7. Dividends

The Directors anticipate declaring a fully-franked dividend of 2.64 cents. As set out in Section 14, below the financial report is in the process of being audited. The Company expects to lodge its audited financial statements on or about 23 September 2015 at which time it also intends to lodge an Appendix 3A.1 with respect to the final FY2015 dividend. Record and payment date details will be provided at that time.

## Earnings per share

	Reporting period (cents)	Previous period (cents)
Basic Earnings per share *	4.67	3.45
Diluted earnings per share *	4.67	3.45

There are no options on issue.

	Reporting period (number)	Previous period (number)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS *	103,103,970	65,511,096

\* All current and historical share based calculations and numbers have been adjusted to reflect a 24:1 share split on 11 November 2014.

## 8. Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan (DRP). The Directors intend that the DRP will be fully applicable to the anticipated final dividend. Further details with respect to the operation of the DRP including pricing will be provided with the Appendix 3A.1 which the Company expects to lodge with its audited financial statements on or about 23 September 2015.

## 9. Net Tangible Assets

	Reporting period (\$)	Previous period (\$)
Net tangible assets per ordinary share *	\$0.10	\$0.04

\* Adjusted for a 24:1 share split on 11 November 2014.

## 10. Change in control over entities

<b>Name of entity</b>	Pink Diamond Financial Group (PDFG Pty Ltd, PDFG AFSL Pty Ltd, PDFG Tax Services Pty Ltd)
<b>Date Control gained</b>	28 August 2014
<b>Name of entity</b>	Digifi Group Pty Ltd
<b>Date Control gained</b>	15 May 2015

## 11. Control over entities

Name of entities	2015	2014
	% owned	% owned
Spring Financial Group Pty Ltd	100	100
Spring FG Realty Pty Ltd	100	100
Spring FG Finance Pty Ltd	100	100
Spring FG Accounting Pty Ltd	100	100
Spring FG Services Pty Ltd	100	100
PDFG Pty Ltd - acquired 28 August 2014	100	0
PDFG AFSL Pty Ltd - acquired 28 August 2014	100	0
PDFG Tax Services Pty Ltd - acquired 28 August 2014	100	0
Digifi Group Pty Ltd - acquired 15 May 2015	100	0

## 12. Segment Reporting

	Financial planning, investment advice & product sales	Accounting & Tax Services	Other	Total
Year ended 30 June 2015	\$'000	\$'000	\$'000	\$'000
Segment revenue	13,289	1,330	236	14,855
EDITDA	6,575	748	236	7,559
Depreciation & amortisation	175	26	-	(201)
Interest expense		-	(94)	(94)
Non-recurring expenses			(801)	(801)
<b>Profit before income tax</b>	<b>6,400</b>	<b>722</b>	<b>(659)</b>	<b>6,463</b>

	Financial planning, investment advice & product sales	Accounting & Tax Services	Other	Total
Year ended 30 June 2014	\$'000	\$'000	\$'000	\$'000
Segment revenue	7,354	166	587	8,107
EDITDA	2,499	125	587	3,211
Depreciation & amortisation	-	-	(41)	(41)
Interest expense		-	(122)	(122)
<b>Profit before income tax</b>	<b>2,499</b>	<b>125</b>	<b>424</b>	<b>3,048</b>

## 13. Accounting policies

The general purpose financial statements for the reporting period ended 30 June 2015 have been prepared in accordance with Australian Standards and the Corporations Act 2001, as appropriate for all profit-oriented entities.

**14. Audit status**

The financial report is in the process of being audited. At this point of the audit process there have not been any disputes nor issues raised that will be subject to audit qualification.



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Keith R Cullen  
Managing Director  
31 August 2015